

OVERSIGHT BOARD FOR THE REDEVELOPMENT SUCCESSOR AGENCY OF THE
CITY OF HEALDSBURG

RESOLUTION NO. OB7-2014

RESOLUTION OF THE OVERSIGHT BOARD OF THE
SUCCESSOR AGENCY TO THE REDEVELOPMENT
AGENCY OF THE CITY OF HEALDSBURG APPROVING
THE ISSUANCE OF REFUNDING BONDS BY THE
SUCCESSOR AGENCY AND RELATED ACTIONS IN
CONNECTION THEREWITH

WHEREAS, the California Legislature adopted, the Governor signed, and the California Supreme Court, in *California Redevelopment Association, et al. v. Matosantos*, (2012) 53 Cal.4th 231, upheld Assembly Bill x1 26 (“ABx1 26”); and

WHEREAS, ABx1 26 dissolved redevelopment agencies, including the former Redevelopment Agency of the City of Healdsburg (the “Redevelopment Agency”), effective February 1, 2012; and

WHEREAS, as added by ABx1 26, California Health and Safety Code Sections 34171(j) and 34173 originally provided that a city or county that formed a redevelopment agency would serve as the successor agency to the dissolved redevelopment agency unless such city or county affirmatively elected not to fill that role; and

WHEREAS, all subsequent “Section” references are to the California Health and Safety Code; and

WHEREAS, as added by ABx1 26, Section 34173(b) provides that the authority, rights, powers, duties and obligations previously vested with the former redevelopment agencies are vested in the successor agencies; and

WHEREAS, pursuant to ABx1 26, the City of Healdsburg has been serving as the successor agency to the Redevelopment Agency since February 1, 2012 (the “Successor Agency”); and

WHEREAS, AB 1484, enacted on June 27, 2012, amended ABx1 26 (together with AB 1484, the “Dissolution Law”) to clarify that successor agencies are separate public entities from their sponsoring city or county; and

WHEREAS, on July 16, 2012, the City of Healdsburg adopted a resolution acknowledging that the “Redevelopment Successor Agency of the City of Healdsburg” is the successor agency to the former Redevelopment Agency; and

WHEREAS, pursuant to Section 34179, this oversight board (the “Oversight Board”) has been established for the Successor Agency; and

WHEREAS, prior to its dissolution, the Redevelopment Agency issued its Sotoyome Community Development Project 2003 Tax Allocation Bonds, Series A (Taxable) in the principal amount of \$13,000,000 (the “2003A Bonds”) and 2003 Tax Allocation Bonds, Series B

(Housing Set-Aside Tax Revenues) (Taxable) in the principal amount of \$6,370,000 (the “2003B Bonds” and together with the 2003A Bonds, the “Prior Bonds”), for the purpose of financing and refinancing redevelopment activities; and

WHEREAS, the 2003A Bonds have an outstanding principal amount of approximately \$9,555,000 and the 2003B Bonds are currently outstanding in the principal amount of approximately \$4,700,000; and

WHEREAS, the Oversight Board adopted a resolution on September 23, 2014, directing the Successor Agency to undertake the refunding of the Prior Bonds and to engage the necessary financial professionals to accomplish the refunding; and

WHEREAS, in connection with the foregoing direction, the Successor Agency adopted a resolution on October 6, 2014 (the “Agency Resolution” which is attached to this Resolution as Exhibit A) authorizing the issuance of bonds to be designated its 2014 Tax Allocation Refunding Bond, Series C (Taxable) (the “Series C Bond”) and 2014 Tax Allocation Refunding Bond, Series D (Housing Set-Aside) (Taxable) (the “Series D Bond” and together with the Series C Bond, the “Bonds”) to refund all or a portion of the Prior Bonds (the “Refunded Bonds”), a copy of which has also been presented to the Oversight Board for approval; and

WHEREAS, the following documents and proposed agreements (collectively, the “Agency Documents”) relating to the issuance, sale and delivery of the Bonds, which are incorporated herein by reference, have been presented to the Board of the Successor Agency (the “Board”) for its review and approval:

1. an indenture with The Bank of New York Mellon Trust Company, N.A. (the “Trustee”) providing for the issuance of the Series C Bond (the “Series C Indenture”);
2. an indenture with the Trustee providing for the issuance of the Series D Bond (the “Series D Indenture”);
3. a purchase contract with JPMorgan Chase Bank, N.A., as purchaser (the “Purchaser”) providing for the sale of the Bonds (the “Purchase Contract”); and
4. an escrow agreement with The Bank of New York Mellon Trust Company, N.A., as escrow agent (the “Escrow Agent”) providing for the irrevocable deposit of funds sufficient to repay the Refunded Bonds in a manner legally sufficient to defease the Refunded Bonds (the “Escrow Agreement”).

NOW, THEREFORE, BE IT RESOLVED by the Oversight Board of the Successor Agency that:

Section 1. Approval of Successor Agency Actions. Subject to the approval of the State of California Department of Finance, the Oversight Board hereby approves the following actions of the Successor Agency:

(a) the issuance of the Bonds, either as a single issue or in separate series, as the Successor Agency shall determine; provided that, in conformity with Section 34177.5: (i) the total interest cost to maturity of the Bonds plus the principal amount of the Bonds do not exceed the total remaining interest cost to maturity on the Refunded Bonds refunded thereby plus the remaining principal of such Refunded Bonds and (ii) the principal amount of the Bonds does not exceed the amount required to defease the Refunded Bonds refunded thereby, to establish customary debt service reserves and to pay related costs of issuance;

(b) the sale of the Bonds as described in the Agency Resolution; provided, however, that such sale shall not result in less than 3% net present value debt service savings;

(c) the execution and delivery of the Agency Documents; and

(d) all other actions of the Successor Agency described in the Agency Resolution.

Section 2. Filing of Documents. The Secretary to the Successor Agency is hereby authorized and directed to file the Agency Resolution and the Agency Documents, together with a certified copy of this Resolution of the Oversight Board, as provided in Sections 34179 (h) and 34180 (j) with the Sonoma County Administrative Officer and Auditor-Controller and the State of California Department of Finance.

Section 3. Additional Authorizations. The Oversight Board further authorizes its staff and the Successor Agency to take such other actions as they deem necessary or convenient to expedite the process of review of the refunding transaction by the State of California Department of Finance.

PASSED, APPROVED AND ADOPTED by the Oversight Board of the Successor Agency to the Redevelopment Agency of the City of Healdsburg this 4th day of November 2014, by the following vote:

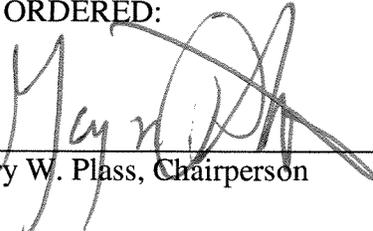
AYES: Board Members: (5) Brown, Herrington, Schaffner, Ziedrich and
Chairperson Plass

NOES: Board Members: (0) None

ABSENT: Board Members: (2) Liles and Navarrette

ABSTAINING: Board Members: (0) None

SO ORDERED:



Gary W. Plass, Chairperson

ATTEST:



Maria Curiel, Board Secretary

I, MARIA CURIEL, Secretary to the Oversight Board for the Redevelopment Successor Agency of the City of Healdsburg, do hereby certify that the foregoing is a full, true, and correct copy of Resolution No. OB7-2014 duly adopted by the Oversight Board at a regular meeting held on the 4th day of November, 2014.

A handwritten signature in cursive script, appearing to read 'Maria Curiel', written in black ink. The signature is positioned above a horizontal line.

Maria Curiel, Board Secretary

REDEVELOPMENT SUCCESSOR AGENCY

RESOLUTION NO. RSA7-2014

RESOLUTION OF THE SUCCESSOR AGENCY TO THE
REDEVELOPMENT AGENCY OF THE CITY OF
HEALDSBURG AUTHORIZING THE ISSUANCE OF
REFUNDING BONDS AND APPROVING THE FORMS OF
DOCUMENTS IN CONNECTION THEREWITH

WHEREAS, the California Legislature adopted, the Governor signed, and the California Supreme Court, in *California Redevelopment Association, et al. v. Matosantos*, (2012) 53 Cal.4th 231, upheld Assembly Bill x1 26 (“ABx1 26”); and

WHEREAS, ABx1 26 dissolved redevelopment agencies, including the former Redevelopment Agency of the City of Healdsburg (the “Redevelopment Agency”), effective February 1, 2012; and

WHEREAS, as added by ABx1 26, California Health and Safety Code Sections 34171(j) and 34173 originally provided that a city or county that formed a redevelopment agency would serve as the successor agency to the dissolved redevelopment agency unless such city or county affirmatively elected not to fill that role; and

WHEREAS, all subsequent “Section” references are to the California Health and Safety Code; and

WHEREAS, as added by ABx1 26, Section 34173(b) provides that the authority, rights, powers, duties and obligations previously vested with the former redevelopment agencies are vested in the successor agencies; and

WHEREAS, pursuant to ABx1 26, the City of Healdsburg has been serving as the successor agency to the Redevelopment Agency since February 1, 2012 (the “Successor Agency”); and

WHEREAS, AB 1484, enacted on June 27, 2012, amended ABx1 26 (together with AB 1484, the “Dissolution Law”) to clarify that successor agencies are separate public entities from their sponsoring city or county; and

WHEREAS, on July 16, 2012, the City of Healdsburg adopted a resolution acknowledging that the “Redevelopment Successor Agency of the City of Healdsburg” is the successor agency to the former Redevelopment Agency; and

WHEREAS, pursuant to Section 34179, an oversight board (the “Oversight Board”) has been established for the Successor Agency; and

WHEREAS, prior to its dissolution, the Redevelopment Agency issued its Sotoyome Community Development Project 2003 Tax Allocation Bonds, Series A (Taxable) in the principal amount of \$13,000,000 (the “2003A Bonds”) and 2003 Tax Allocation Bonds, Series B (Housing Set-Aside Tax Revenues) (Taxable) in the principal amount of \$6,370,000 (the “2003B Bonds”) and together with the 2003A Bonds, the “Prior Bonds”), for the purpose of financing and refinancing redevelopment activities; and

WHEREAS, the 2003A Bonds have an outstanding principal amount of approximately \$9,555,000 and the 2003B Bonds are currently outstanding in the principal amount of approximately \$4,700,000; and

WHEREAS, Section 34177.5 permits the Successor Agency to refinance the Prior Bonds, provided that certain savings and other parameters are met; and

WHEREAS, the Oversight Board adopted a resolution on September 23, 2014, directing the Successor Agency to undertake the refunding of the Prior Bonds and to engage the necessary financial professionals to accomplish the refunding, and it is anticipated that on October 7, 2014, the Oversight Board will adopt a resolution authorizing the issuance of refunding bonds; and

WHEREAS, pursuant to the foregoing direction, the Successor Agency has now determined to issue bonds to be designated its 2014 Tax Allocation Refunding Bond, Series C (Taxable) (the “Series C Bond”) and 2014 Tax Allocation Refunding Bond, Series D (Housing Set-Aside) (Taxable) (the “Series D Bond”) and together with the Series C Bond, the “Bonds”) to refund all or a portion of the Prior Bonds (the “Refunded Bonds”); and

WHEREAS, the following documents and proposed agreements relating to the issuance, sale and delivery of the Bonds, which are incorporated herein by reference, have been presented to the Board of the Successor Agency (the “Board”) for its review and approval:

1. an indenture with The Bank of New York Mellon Trust Company, N.A. (the “Trustee”) providing for the issuance of the Series C Bond (the “Series C Indenture”);
2. an indenture with the Trustee providing for the issuance of the Series D Bond (the “Series D Indenture”);
3. a purchase contract with JPMorgan Chase Bank, N.A., as purchaser (the “Purchaser”) providing for the sale of the Bonds (the “Purchase Contract”); and
4. an escrow agreement with The Bank of New York Mellon Trust Company, N.A., as escrow agent (the “Escrow Agent”) providing for the irrevocable deposit of funds sufficient to repay the Refunded Bonds in a manner legally sufficient to defease the Refunded Bonds (the “Escrow Agreement”).

NOW, THEREFORE, BE IT RESOLVED by the Board of the Successor Agency that:

Section 1. Recitals. The Board finds and determines that the foregoing recitals are true and correct.

Section 2. Authorization to Issue Bonds. Subject to the approval of the Oversight Board and the State of California Department of Finance, the Board hereby authorizes the issuance of the Bonds in accordance with the respective terms of the Series C Indenture and the Series D Indenture, as executed. The Bonds may be issued as a single issue or from time to time in separate series, as the Successor Agency shall determine. The approval of the issuance of the Bonds by the Successor Agency and the Oversight Board shall constitute the approval of each separate series of Bonds, without the need for any further approval from the Oversight Board; provided that, in conformity with Section 34177.5: (i) the total interest cost to maturity of each series of the Bonds plus the principal amount of the Bonds of such series do not exceed the total remaining interest cost to maturity on the Refunded Bonds refunded thereby plus the remaining principal of such Refunded Bonds and (ii) the principal amount of each series of the Bonds does not exceed the amount required to defease the Refunded Bonds refunded thereby, to establish customary debt service reserves and to pay related costs of issuance.

Section 3. Indentures. The Board hereby approves each of the Series C Indenture and the Series D Indenture between the Successor Agency and the Trustee, in substantially the forms filed with the Secretary of the Board. The Chairperson, the Executive Director, Treasurer, the Controller and the Secretary, or their authorized designees (the "Authorized Officers"), and each of them individually, are hereby authorized and directed, for and on behalf of the Successor Agency, to execute and deliver the Series C Indenture and the Series D Indenture in substantially said forms, with such changes therein as any of the Authorized Officers shall approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 4. Purchase Contract. The Board hereby approves the Purchase Contract between the Successor Agency and the Purchaser, in substantially the form filed with the Secretary of the Board. The Authorized Officers are each hereby authorized and directed, for and on behalf of the Successor Agency, to accept the offer of the Purchaser to purchase the Bonds as provided in the Purchase Contract and to execute and deliver the Purchase Contract in substantially said form, with such changes therein as any of the Authorized Officers shall approve, such approval to be conclusively evidenced by the execution and delivery thereof; provided, however, that such changes shall not result in less than 3% net present value debt service savings.

Section 5. Escrow Agreement. The Board hereby approves the Escrow Agreement between the Successor Agency and the Escrow Agent, in substantially the form filed with the Secretary of the Board. The Authorized Officers are each hereby authorized and directed, for and on behalf of the Successor Agency, to execute and deliver the Escrow Agreement in substantially said form, with such changes therein as any of the Authorized Officers shall approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 6. Execution of the Bonds. Any of the Authorized Officers are hereby authorized and directed to execute each of the Bonds on behalf of the Successor Agency. Such execution as herein provided shall be a sufficient and binding execution of the Bonds by the Successor Agency.

Section 7. General Authorization. The Board hereby authorizes and directs the Authorized Officers, and each of them, for and in the name of and on behalf of the Board, to do any and all things and to execute and deliver any and all documents that they may deem necessary or advisable in order to complete the sale, issuance, and delivery of the Bonds and otherwise to carry out, give effect to, and comply with the terms and intent of this resolution. All actions heretofore taken by such officers and agents that are in conformity with the purposes and intent of this resolution are hereby ratified, confirmed and approved in all respects.

Section 8. Effective Date. This resolution shall take effect immediately upon its passage.

PASSED, APPROVED AND ADOPTED by the Successor Agency to the Redevelopment Agency of the City of Healdsburg this 6th day of October 2014, by the following vote:

AYES: Board Members: (5) Chambers, Jones, McCaffery, Plass and Mayor Wood

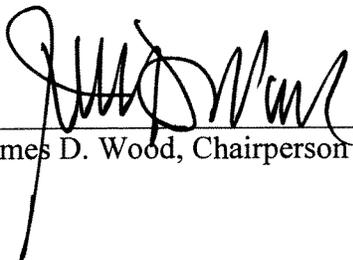
NOES: Board Members: (0) None

ABSENT: Board Members: (0) None

ABSTAINING: Board Members: (0) None

SO ORDERED:

ATTEST:



James D. Wood, Chairperson



Maria Curiel, Agency Secretary